

# Exhibit 41

**From:** Charles Murphy [cmurphy@fggus.com]  
**Sent:** 8/20/2008 3:12:32 AM  
**To:** Amit Vijayvergiya [amit@fggus.com]  
**CC:**  
**Subject:** Re: Unigestion redemption

Hi Amit, guess question is whether, in context of red notice for next Friday, is there any additional written info that the team can send to support Attilio and Andres's relationship calls?

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From: Amit Vijayvergiya  
To: Charles Murphy; Andres Piedrahita; Richard Landsberger; Philip Toub; Executive Committee; Jeffrey Tucker  
Cc: Sentry Team; Lauren Ross; Santiago Barenó  
Sent: Tue Aug 19 21:14:59 2008  
Subject: RE: Unigestion redemption

Thanks Charles ☐ good comments/questions.

We're very interested in meeting with Unigestion to address their concerns; hopefully Andres/Atilio might be able to secure a meeting during which we can elaborate on/amplify our written answers.

We attempted to provide written responses to their questions based on available, verifiable information. Unfortunately there are certain aspects of BLM's operations that remain unclear and although we are attempting to obtain responses from Bernie Madoff (via an operational DDQ), this process could take some time. We believe that a cautious approach is prudent here and we are currently paring down and prioritizing approx 12 pages of outstanding operational DD questions for BLM.

In the mean time, our answers to your questions are:

1. We responded to their May 27 questionnaire on May 29. They signed an NDA on June 14 and the final answers were sent by LR to Atilio that same day.
  - a. Valuation of the OTC options is based on market prices. There are two aspects to this valuation: (i) during entry/exit and (ii) end of day (or end of month for NAV calculation

purposes). During entry/exit -- BLM has informed us that he gradually builds the options position as he builds the stock position. The trade tickets we receive list the total quantity traded that day and a single weighted average options price for the day without time stamps or names of counterparties. It is therefore not possible to verify actual trade-by-trade prices, but the Sentry Team performs a "reality check" against posted market prices on the listed options exchanges to test whether the WAP is reasonable. I'm not sure whether ringing external dealers would provide in additional pricing validation given the lack of time stamps. For end of day pricing -- there are no issues. Even though BLM provides a month-end position report to us, neither FGG nor Citco rely on BLM's prices for valuation. The Sentry Model and the Finance Group pulls Bloomberg prices at the end of each day. Citco applies the valuation methodology outlined in our written response.

b. Counterparty risk:

i. agreed

ii. I believe that Jeffrey may have verified the existence and segregation of assets in the past by tracing stocks from trade blotter to the stock record to DTCC and back to client accounts. We plan to repeat this check during our upcoming DD. We also saw that they commented on an audit of BLM in their Jul 29 email and we would like to show them the annual audited financials of BLM prepared by Freihling and Horowitz and submitted to the SEC.

iii. Although Unigestion did not specially ask about the options performance assurance, we would certainly describe this in more detail during a meeting with them. Yes, we can certainly prepare a more descriptive written response on this subject for Unigestion (as we have done for a few other clients) -- would suggest we wait to hear from Andres/Atilio if Unigestion are receptive to a meeting and/or receiving our additional comments.

2. I wasn't aware that they had asked for a full analysis of the cost/performance of leveraged structures but we can prepare something relatively quickly if required.

Regards,

Amit

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From: Charles Murphy

Sent: Tuesday, August 19, 2008 4:56 PM  
To: Amit Vijayvergiya; Andres Piedrahita; Richard Landsberger; Philip Toub; Executive Committee; Jeffrey Tucker  
Cc: Sentry Team; Lauren Ross; Santiago Bareno  
Subject: RE: Unigestion redemption

Redacted

Other thing their 29Jul email cites is that performance not as good as the past

When was your attached response to their 27May questions sent? Can we amplify on any of the answers?

Independent valuation. Assuming they agree that the prices for the T-Bills and stock basket are not subject to manipulation and are willing to overlook the non-SSC positions (was this an issue?) you are left with the options. Are there large bid-ask spreads or differences between quotes provided by different dealers? Or differences between real world prices at the size in which they deal v screen based audit we and Citco do from Bloomberg, Reuters and IDC? Or do we even know (ie did you say that we get the average price of options each day but not the prices of individual transactions with individual dealers) Do we attempt to ring around to dealers in



addition to reading screens? Maybe a relationship bank like JPM would be willing to provide this service, even if we have to pay for it? If these are not real world concerns, we could spell this out more strongly?

Counterparty risk:

i. We confirm their fear ☐ all but non-SSC assets held at BLM which puts a premium on their questions about segregation

ii. Segregation: we confirm, but not sure we answer directly their questions on how our account is segregated and how this can be confirmed? We talk about our monitoring of positions versus guidelines, and our understanding that implementation is identical for all accounts (though can not confirm) - but is there more to say about how mechanically they actually segregate and whether and how this can be checked? One thing they cite in the 29Jul email is a lack of audit ☐ do we have the audit of BLM? Does it address segregation? Do we get to talk with the auditors?

iii. The emails from Feb in response to a question raised by Yanko's client talked about degree of coverage of collateral in cash accounts and where these are held, without totaling bottoming this issue, and I believe the assurance to the client was ultimately given orally rather than in writing. Is there anything more we can write to assure people on this topic? Is if cash collateralized at DTC or somewhere else remote from BLM, maybe this partially answers the segregation issue, at least with respect to the options exposure?

Did we send them a full analysis of the performance and costs of the leveraged structure? Attilio told me last fall that they had switched recently from Sentry into a leveraged structure, describing this at the time as a win-win that allowed them to take cash off the table while we kept the same fee based AUM? How much of a drag are the Natixis fees and are they being squeezed by spike in funding costs/Libor? What is breakeven return of the structure? Know that Lion has struggled with these issues on Tensyr. Bigger problem, as we know, may be that 3x leveraged is even more than 3/20 because we charge the MF on the notional and (unlike CH & IG) don't subtract the cost of leverage in calculating performance fees. Would a bigger rebate make a difference at this stage?

Mark mentioned today that you had prepared a questionnaire to send to BLM to get more info to address some of these questions. If BLM complains of laundry lists, maybe worth sending BLM the Unigestion Q&A (or probably you already have?) and any enhancements you might write per the above and see if BLM can help draft a response ☐ after all, he too has an interest in saving AUM, particularly if these concerns are shared by others

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From: Amit Vijayvergiya

Sent: Tuesday, August 19, 2008 4:34 PM

To: Andres Piedrahita; Richard Landsberger; Philip Toub; Executive Committee; Jeffrey Tucker

Cc: Sentry Team; Lauren Ross

Subject: Unigestion redemption

Unigestion had invested ~\$27MM equity into a Natixis leveraged product with gross investment in Sentry of ~\$74.5MM.

Although I have not been able to speak with Unigestion, I gather that they redeemed due to concerns about Madoff risk. We provided detailed responses to several questions that they asked us in May (see attached email "Fairfield Sentry - Questions from Unigestion") however they decided to proceed with their redemption citing insufficient information to evaluate Madoff risk. We offered to meet with them via Atilio (see attached email "Volatility Alpha Enhanced Fund") but they did not take us up on the offer.

I would have liked to speak with them to address their concerns, which I suspect may be the result of certain rumors reaching them, but it appears that they had made up their minds.

Andres - were you able to speak with Atilio?

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From: Andres Piedrahita

Sent: Monday, August 18, 2008 5:23 PM

To: Richard Landsberger; Amit Vijayvergiya; Philip Toub; Executive Committee; Jeffrey Tucker

Cc: Sentry Team

Subject: Re: Desjardins redemption notification

I'm trying Atilio right now.

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From: Richard Landsberger  
To: Amit Vijayvergiya; Philip Toub; Executive Committee; Jeffrey Tucker  
Cc: Sentry Team  
Sent: Mon Aug 18 17:49:03 2008  
Subject: RE: Desjardins redemption notification

What were Atilio's/Unigestion operational dd concerns-anything specific??

Gotta believe they have been invested long enough to understand the story????

Can we go back with anything??

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From: Amit Vijayvergiya  
Sent: Monday, August 18, 2008 3:12 PM  
To: Philip Toub; Executive Committee; Jeffrey Tucker  
Cc: Sentry Team  
Subject: RE: Desjardins redemption notification

Not including Sep 1 subscriptions, we can accept up to \$500 MM in Fairfield Sentry for Sep 1, calculated as follows:

1. Redemptions:

The three largest reds from Sentry this month are:

\$75.0 MM Fairfield Sigma Treasury Loss (estimated)

\$74.5 MM Unigestion -Volatility Alpha (Atilio Brillembourg) citing BLM operational DD concerns

\$50.0 MM Desjardins DGAM Alternative Strategy (PT)

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~\$200MM

+ \$45 MM in misc. smaller reds

= \$245 MM in Aug 31 redemptions

## 2. SSC accounts:

Gord calculates that we have withdrawn a net \$80MM from our Fairfield Sentry accounts which can be replaced. Separately, we have "over-contributed" \$115MM to our onshore Greenwich Sentry accounts and we assume that BLM regards this over-contribution as separate from Fairfield Sentry capacity (ie. similar to the three over-contributions totaling \$300MM made in 2007 to Fairfield Sentry).

## 3. Cash Balance

We currently have a cash balance of about \$30MM and if we experienced significant inflows that we were unable to contribute to the accounts at BLM, we could considering bringing this cash balance up to \$200MM as previously discussed.

## 4. SUMMARY:

\$245 MM Aug 31 redemptions



\$80 MM BLM accounts

\$170 MM cash buffer (in order to bring us to max \$200MM)

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\$495 MM of available Sep 1 capacity

Regards,

Amit

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From: Philip Toub  
Sent: Monday, August 18, 2008 7:05 AM  
To: Amit Vijayvergiya; Executive Committee  
Subject: Fw: Desjardins redemption notification

Hi all,

Bummer news from my big client in Montreal that Amit and I just visited. While he did explain to us that they had suffered thru a tough period as they had some money market issues we were hopeful that they were not going to take down their Sentry position.

As you can see from below, they had to do so anyway. I am having bfast tomorrow with another counterpart from Oman who has expressed interest in Sentry for Oman Sovereign fund so hopefully can get this replaced soon.

Amit what's our capacity situation right now if you had this redemption in?

Best

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From: florent.salmon@desjgam.com  
To: Philip Toub  
Sent: Sun Aug 17 18:06:07 2008  
Subject: Desjardins redemption notification

Philip,  
FYI we will redeem 50M out of Sentry in the coming month. Your administrator has already been notified or will be in the next few days.  
We are currently reducing the overall allocation to external hedge fund managers. This transaction is part of a relatively large redemption program and is required to keep relative weights across managers in balance.  
Once completed, this program will bring our total AUM in external hedge funds down to 3 USD Billions. This amount will be allocated across 40 managers.

Regards.

Florent.

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